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People's Economy League of Los Angeles

"Power at cost", but, oh, the cost!

[Los Angeles]

[1922]

97-84148-6

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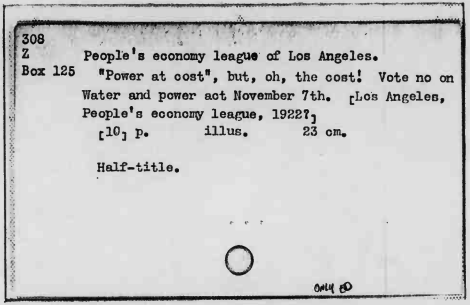

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Box 125

"Power at Cost." But, oh, the COST!!!

Vote NO on Water and Power Act November 7th

VOTE NO

on

Water and Power Act

November 7

308
2
Box 125

M.M.I. Aug. 17, 25.

SAVE CALIFORNIA!!!

By your vote at the next State election you can do your part in saving California from a step that would mean financial and political disaster.

The people are asked to vote an amendment to the State Constitution next November providing for the issuance of Five Hundred Million Dollars ($500,000,000) in bonds and to place the purse strings in the hands of a political Board of five members appointed by the Governor.

This Board is to have SUPER-POWERS—THE PEOPLE WILL HAVE NO VOICE IN ITS SELECTION OR CONTROL ANY OF ITS ACTIVITIES.

The Five Hundred Million Dollars ($500,000,000) is to be spent in the purchase of unknown, unspecified and undescribed water and power projects. This huge amount ($140,000,000 more than the total cost of the Panama Canal) is guaranteed by the FULL FAITH AND CREDIT of the State and will, in effect, constitute a MORTGAGE ON EVERY PIECE AND PARCEL OF TAXABLE PROPERTY in California both real and personal.

If written into the constitution this law could not be altered in any way by the Legislature or Governor, except to grant **additional powers.**

The measure is designated as the "Water and Power Act." Presented under the misleading slogan of "Power at Cost," this supremely radical act is more vicious in its provisions than any measure ever placed upon the ballot in the United States.

This Five Hundred Million Dollar ($500,000,000) bond issue and mortgage would ruin State credit, destroy investment by outside capital and **hamper every enterprise in California.** It therefore affects every business and every individual within the borders of the State.

Only an awakened and acting electorate can save California from this dangerous venture, which is autocratic, un-American, and destructive of the basic principles upon which our Government is founded. Study the issue. Apply sound business principles to it. Your duty will be plain.

WORDING OF ACT SHOWS THESE THINGS CAN BE DONE

THE BOARD CAN

Mortgage the **ENTIRE** State of California for **Five Hundred Million Dollars** ($500,000,000) and pledge the **FULL FAITH AND CREDIT** of every piece of property, every security and every other taxable thing in the State for the payment of same.

Sec. 5. Bonds of the State of California, not exceeding the sum of five hundred million dollars may be issued and sold from time to time to carry out the purposes of this article, and the **FULL FAITH AND CREDIT** of the State of California is hereby pledged for the payment of the principal of said bonds as the same mature, and the interest accruing thereon as the same falls due.

THE BOARD CAN

Employ as many people as it desires. Pay whatever salaries it wants to. Disregard civil service regulations, which a politically appointed Board would do rather than VOLUNTARILY to impose restrictions upon itself.

(j) To provide itself with suitable office and field facilities, and to appoint, define the duties and **FIX THE COMPENSATION** of such expert and technical officers, legal and clerical assistants and **OTHER** employes as it may require, subject to such civil service regulations as the board **MAY** provide.

THE BOARD CAN

Confiscate and take possession **IMMEDIATELY** of any property it desires. The Board acts as judge and jury in its own case and by this **AUTOCRATIC AUTHORITY** makes the ownership of any property **UNSAFE.**

Sec. 14. In any proceeding in eminent domain brought by the board under the provisions hereof, the determination of the board that the taking of the property described in the complaint is necessary for the purposes hereof, shall be **CONCLUSIVE** evidence of such necessity. In any such proceeding the state may take **IMMEDIATE POSSESSION** and use of any property required for the purposes of this article.

THE BOARD CAN

Engage in **ANY** business it desires.
Manufacture **ANYTHING** it wants to.
Put out of business almost any industry.

(b) To purchase, acquire, produce, manufacture or otherwise provide facilities, materials and supplies, raw or finished, and **ANY** property or thing necessary or **CONVENIENT** to the accomplishment of the purposes of this article.

THE BOARD CAN

Take out of the State treasury **WITHOUT CONSENT** of the Legislature or Governor any amount of money to meet **DEFAULTS** in principal and interest on the Five Hundred Million Dollars ($500,000,000). After this money is taken from the Treasury the act **COMPELS** the return of it and provides that the people **MUST BE TAXED** to make up the loss. Why are these raids on the Treasury **NECESSARY** if the plan is a sound business proposition?

Par. 2, Sec. 9. If at any time the moneys in the state treasury applicable to the payment of interest or principal of said bonds, shall be insufficient to pay the same as it falls due, moneys shall be temporarily advanced from the general fund for that purpose, and there is **HEREBY APPROPRIATED** from the general fund in the state treasury such sum annually as will be necessary to pay such interest and principal, and there shall be **COLLECTED EACH YEAR** in the same manner and at the same time as other state revenue is collected such sum in **ADDITION** to the other revenues of the state as shall be required to pay the sums appropriated for payment of interest and principal as herein provided, and it is hereby **MADE THE DUTY** of all officers charged by law with any duty with regard to the levy and collection of said revenue **TO DO AND PERFORM** each and every act which shall be necessary to **COLLECT** such additional sum.

THE BOARD CAN

Start its own bank, as money derived from the sale of bonds **DOES NOT HAVE TO BE** paid into the State treasury. A similar experiment in North Dakota resulted in the failure of 28 banks.

Sec. 9. All revenues of the board, **EXCEPT PROCEEDS FROM THE SALE OF BONDS,** shall be paid into the state treasury.

THE BOARD CAN

Make any rates it **DESIRES** for service **WITHOUT CONTROL OR REGULATION** to meet unlimited payrolls, overhead charges and expenses, principal and interest.

Sec. 8. The board shall establish such rates for service as **IN ITS JUDGMENT** will provide, in addition to the expenses of operation, maintenance, depreciation, interest, insurance and reserve for losses, funds to pay the principal and interest of all bonds issued.

THE BOARD CAN

Take away from any **CITY, FARMING COMMUNITY OR WATER DISTRICT** its undeveloped water and power resources if they are not developed within two years after notice. Plans for any development at any time **MUST** be submitted to the Board. This permits the Board, **FOR POLITICAL OR OTHER REASONS,** to use the water and power resources of any community to build up some other or **RIVAL** community.

Sec. 13. Nothing contained in this article shall prevent any political subdivision itself, or in co-operation with other political subdivisions, from developing any water or electric energy owned or controlled by it; **BUT** plans for any such development hereafter proposed **SHALL BE SUBMITTED** to the board for suggestions and criticisms, so that the co-operation of the board may be secured, **IF PRACTICABLE,** for the fullest development of the proposed project. The board may acquire **AND DEVELOP** any such project unless the political subdivision claiming the same shall have adopted plans and estimates for the development and authorized bonds to cover the cost thereof, or shall do so within two years after the board shall have notified such political subdivision of its readiness to proceed with such development.

THE BOARD CAN

Spend any part of the Five Hundred Million Dollars ($500,000,000) **OUTSIDE** the State on **UNKNOWN, UNSPECIFIED** water or power projects if it so desires.

(g) To co-operate and contract with political subdivisions of this state, and, with the approval of the governor, with the United States and **OTHER STATES,** concerning the conservation and use of interstate and other waters.

THE BOARD CAN

Issue **MORE** bonds in addition to the Five Hundred Million Dollars, ($500,000,000) to meet **SHORTAGES** in principal and interest on the **HALF BILLION DOLLARS,** thus permitting the most **DANGEROUS** form of **WILDCAT FINANCING AND PYRAMIDING** of the State debt.

Sec. 7. Provided, further, that if at any time the revenues from projects shall be insufficient to pay the interest on and principal of outstanding bonds as the same fall due, the committee, with the consent of the governor, in order to avoid appropriations from the general fund and resulting taxation, may **ISSUE** and **SELL** bonds to provide funds to make such payments of interest or principal.

THE BOARD CAN

Perpetuate itself in office with the consent of the Governor and **UNDER NO CIRCUMSTANCES** are the voters permitted to name or elect Board members. Taxpayers have **ABSOLUTELY** no voice as to where, when or how the Five Hundred Million Dollars ($500,000,000) **OR MORE** shall be spent.

Sec. 2. The California Water and Power Board, hereinafter called the board is hereby established, composed of five members who shall be appointed by the governor * * * to do any **AND ALL THINGS** necessary or **CONVENIENT** for the conservation, development, storage and distribution of water, and the generation, transmission and distribution of electric energy.

THE BOARD CAN

Do any and all things it thinks necessary. It is all powerful. The Act is self-executing and cannot be modified in any way by the Legislature. The Legislature can only **increase** the powers of the Board.

(1) To exercise **ALL POWERS** needful for the accomplishment of the purposes of this article and such **ADDITIONAL POWERS** as may be granted by the legislature.

BURDEN ON TAXPAYERS

EVERY TAXPAYER IN CALIFORNIA MUST ASSUME THE RISKS OF THIS EXPENSIVE EXPERIMENT—MUST BECOME THE GUARANTOR OF THE INTELLIGENCE, SKILL AND JUDGMENT OF THE PROPOSED BOARD AND OF THE UNIDENTIFIED TECHNICAL STAFF AND ORGANIZATION IT WILL RECRUIT, AS WELL AS PAY THE ENORMOUS TAX TO MEET INTEREST AND SINKING FUND REQUIREMENTS. AND THE TAXPAYERS GUARANTEEING THE FIVE HUNDRED MILLION DOLLARS ($500,000,000) HAVE NO VOICE AS TO WHEN, WHERE OR HOW IT SHALL BE SPENT.

IS THIS FAIR?

Many communities of California own their water and power plants. The people have installed these systems and bonded themselves to pay for them. Now they are asked to vote this enormous blanket mortgage upon their property to develop the water and power in other localities. It is like mortgaging your own home to help some unknown and unnamed person build and furnish a home for himself. Would you do this?

FAILURE IS ANTICIPATED

Sponsors of the Act **knew** it was not sound. They provided two ways in which to **pay for losses.** First, the Act provides that more bonds, **in addition** to the Five Hundred Million Dollars ($500,000,000) shall be issued to pay interest and principal on the original issue. Second, the Act provides for an **annual** appropriation from the State Treasury **to meet defaults in principal and interest.** Money thus taken from the Treasury must be raised by **taxing the people.**

Why is State credit **necessary** to develop community water and power projects if those enterprises are such that they will pay for themselves in fifty years? **Who** guarantees the projects will **pay** for themselves?

FARMERS WOULD SUFFER

The power granted this political board to condemn and confiscate land, water and water rights would disturb, unsettle and make unsafe the future status of private or mutually owned water rights and the land titles affected thereby. This would be **disastrous to farming** districts served by mutual water companies and would immediately **halt investment** in farm lands and farming enterprises. Carrying power, water and light to distant farming communities and the rural districts under the proposed plan would be at a **prohibitive cost,** because of the small market and enormous transmission expense. It would be ruinous to agricultural and sparsely settled sections. **"Power at Cost." But, oh, the COST!!!!**

SUPER POWERS OF BOARD

Powers exceeding those conferred upon any other branch of the state government, or any elected official, are given to this Board whose acts are **beyond control of the people, review by the Legislature,** or **direction of the Governor.** The Board can do **any and all things it thinks necessary.**

CREATES POLITICAL MACHINE

With the right to employ as many persons as it desires, to pay whatever salaries it wants to, to disregard civil service regulations and restrictions, and with a four-year term, this Board could build up a gigantic political machine to perpetuate itself in office.

It would have an army of employes, their families and dependents, **subject to its orders,** political or otherwise; it could **dominate** and **control** communities and political subdivisions through the fixing of rates and the spending of Five Hundred Million Dollars ($500,000,000) or more. Do you want this?

CIVIL SERVICE DISREGARDED

State Civil Service rules and regulations are not necessary under the Act, which removes the last obstacle that might stand in the way of the creation of a political machine.

Dr. Francis B. Kellogg, president of the Southern California Civil Service League, said of the Act in his annual report, Feb. 14, 1922:

"It is in its entirety the **most autocratic measure** that could possibly be imagined *****Its attempt to convey the impression that it will be administered upon civil service lines*****is **calculated to deceive** the large number who fail to grasp the absurdity of a politically appointed board imposing upon itself **voluntarily** the restrictions and restraints of genuine civil service."

RECALL NOT ASSURED

There is no assurance that provision will be made at any time for the recall of Board members by the people as the act does not provide WHAT Legislature shall make this provision—whether it shall be the next Legislature or one holding office fifty years from now.

REFERENDUM IS DENIED

All right to invoke the referendum on any of the projects proposed or entered into by the Board is denied. Every power given to the Board, which means ALL POWERS necessary, is to be exercised solely by the Board and at its own discretion.

INJURES MARSHALL PLAN

"The Water and Power Act would menace not only the Marshall Plan but other plans and projects that have at heart the REAL interest of our State."

C. A. Barlow, president of the California State Irrigation Association, sponsor of the Marshall Plan, made the above statement in a letter to the People's Economy League, April 22, 1922. The last State Legislature appropriated $200,000 to investigate and make surveys for the Marshall Plan which calls for a unified system of water conservation to supply ALL California lands.

MUST ISSUE BONDS

Issuance of the entire Five Hundred Million Dollars ($500,000,000) in bonds, and such ADDITIONAL bonds as are required to meet deficits, is subject to the order of the Board alone. The Finance Committee, created by the Act to dispose of the bonds, MUST sell them when the Board says so. It is COMPELLED to raise funds whenever required to carry out projects the Board decides upon.

WHY VOTE BONDS FOR EXPERIMENTS?

Bonds are needed for essentials such as good roads, more schools, public works and undertakings already begun and for our returned service men.

The present bonded indebtedness of the State is $73,843,000. Voting Five Hundred Million Dollars ($500,000,000) of bonds would increase the bonded indebtedness of California **seven times.**

Remember, the Board has power to make and fix any and all rates for service wherever it operates. It is not subject to control by the State Railroad Commission or any other official body.

THESE MEN KNOW

PRESIDENT HARDING, in his Inaugural Address, said: "We must have more business in government and less government in business."

HERBERT HOOVER, Secretary of Commerce, says: "At the present time California companies are carrying current over wires 300 miles long, while the greatest distance contemplated in the Atlantic Project is only 200 miles. Nowhere is power so cheap as in California."

EDWARD N. HURLEY, War-Time Chairman of the United States Shipping Board, said in April, 1921: "Although at one time sympathetic toward government ownership, I am certain, after a number of years in Government Service, that no community can receive the industrial service to which it is entitled under municipal or government management."

CHESTER H. ROWELL, member of the California State Railroad Commission, said recently: "Our political methods are not yet efficient enough for the state to administer public utilities—the present problem that lies before California is systematization of its political machinery."

Vote NO On Water and Power Act November 7th

EXACT WORDING of WATER and POWER ACT

Do Not Be Deceived By It

Section 1. It is hereby declared to be the policy and purpose of the state to conserve, develop and control the waters of the state for the use and benefit of the people.

Sec. 2. The California Water and Power Board, hereinafter called the board, is hereby established, composed of **FIVE MEMBERS** who shall be **APPOINTED BY THE GOVERNOR**, one of whom he shall designate as chairman and executive officer, who shall devote all his time to the duties of the office. The members shall be qualified electors of the state and shall be so appointed as to be fairly representative of the state geographically and of its irrigation and municipal interests. Members shall hold office for four years, except that of those first appointed, one shall hold office until January 1, 1924, one until January 1, 1925, one until January 1, 1926, and two until January 1, 1927. The chairman shall receive a salary of fifteen thousand dollars per annum. The other members shall receive a per diem of twenty dollars while engaged in the performance of duty and all members shall receive their necessary expenses. The legislature may increase their compensation. Each member shall execute to the state such bonds as the governor may require. The legislature shall have power by a two-thirds vote of all its members to remove any one or more of the members of the board from office for dereliction of duty or corruption or incompetency; and it shall be the duty of the legislature to provide by law for the removal of members by recall, following so far as pertinent the provisions of Article XXIII of the constitution, except that a successor of any member recalled shall be appointed by the governor for the unexpired term, as shall be done in the case of a vacancy otherwise arising. A majority of the members shall constitute a quorum for the transaction of business and no vacancy in the board shall impair the right of the remaining members to exercise all powers of the board. The board shall maintain its office at Sacramento.

Sec. 3. The board shall have power:

(a) To acquire by purchase, lease, condemnation, gift, or other legal means, land, water, water rights, easements, electric energy and any other property necessary or convenient for the purposes of this article, and likewise to acquire, and also to construct, complete and operate, dams, flumes, reservoirs, canals, pipe-lines, conduits, power houses, transmission lines, structures, roads, railroads, machinery and equipment, and to do any and all things necessary or convenient for the conservation, development, storage and distribution of water, and the generation, transmission and distribution of electric energy. No electric energy shall be purchased by the board at a price to exceed one-half of one cent per kilowatt hour at the power plant, based upon a fifty per cent load factor, except for standby service as provided in Section twelve hereof;

(b) To develop, acquire, produce, **MANUFACTURE OR OTHERWISE PROVIDE** facilities, materials and supplies, raw or finished, **AND ANY PROPERTY OR THING NECESSARY OR CONVENIENT** to the accomplishment of the purposes of this article;

(c) To supply water or electric energy or both to the state, political subdivisions and other users, and subject to the provisions of this article, to prescribe the terms of contracts, and fix the price thereon and collect the same;

(d) To use the waters and the lands of the state, or any material therein or thereon, and to require the reservation from sale or other disposition of such lands and material as, in the opinion of the board, will be required for the purposes of this article;

(e) To require the reservation of water from appropriation for such periods as it may provide;

(f) In the name of the state to apply for and accept, under the provisions of the laws of the United States or of any state, grants, permits, licenses and privileges in the opinion of the board necessary for the accomplishment of the purposes of this article;

(g) To co-operate and contract with political subdivisions of this state, and, with the approval of the governor, with the United States and **OTHER STATES**, concerning the conservation and use of interstate and other waters and the generation and use of electric energy and the acquisition, construction, completion, maintenance and operation of works necessary or convenient for the accomplishment of the purposes of this article;

(h) To acquire or construct for political subdivisions distributing systems for water or electric energy bought from the state, upon terms that, in the opinion of the board, will repay to the state within twenty-five years the cost thereof with interest. The title to or interest of the state in such systems shall vest in the political subdivision when paid for;

(i) To sue and be sued, and to exercise in the name of the state the power of eminent domain for the purpose of acquiring any property, or the use or joint use of any property, deemed by the board necessary for the purposes of this article;

(j) To provide itself with suitable office and field facilities, and to appoint, define the duties and **FIX THE COMPENSATION** of such expert and technical officers, legal and clerical assistants **AND OTHER EMPLOYES** as it may require, subject to such civil service regulations as the board **MAY** provide;

(k) To define projects and to adopt rules and regulations to govern its activities;

(l) To exercise **ALL POWERS** needful for the accomplishment of the purposes of this article and such **ADDITIONAL POWERS** as may be granted by the legislature;

Sec. 4. The California Water and Power Finance Committee, herein called the committee, is hereby established, composed of the governor, controller, treasurer, chairman of the Board of Control and chairman of the California Water and Power Board, all of whom shall serve thereon without compensation. A majority of the committee shall constitute a quorum for the transaction of business.

Sec. 5. Bonds of the State of California, not exceeding the sum of **FIVE HUNDRED MILLION DOLLARS**, may be issued and sold from time to time to carry out the purposes of this article, and the **FULL FAITH AND CREDIT** of the State of California **IS HEREBY PLEDGED** for the payment of the principal of said bonds as the same mature, and the interest accruing thereon as the same falls due.

Sec. 6. Bonds herein authorized shall be serial bonds, payable in not more than fifty years from date of issuance, and shall be in such form or forms and denomination or denominations, and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate of interest, not exceeding six per cent per annum payable semi-annually, and time or times of payment of interest, as the committee from time to time at or before the issue thereof may prescribe. The principal and interest thereof shall be payable in United States gold coin. Said bonds shall be signed by the treasurer, and countersigned by the governor by his engraved or lithographed signature and the great seal of the State of California shall be impressed thereon; all coupons thereto shall be signed by the treasurer by his engraved or lithographed signature. The board shall pay, from funds available to it, the expense of issuing and selling such bonds and the necessary expenses of the committee in connection therewith.

Bonds herein authorized may from time to time be offered at not less than par as a popular loan, under such regulations prescribed by the committee from time to time, as will in its opinion give the people as nearly as may be an equal opportunity to participate therein; but the committee may make allotment in full upon applications for smaller amounts of bonds in advance of any date which it may set for the closing of subscriptions and may reject or reduce allotments upon later applications and applications for larger amounts, and may reject or reduce allotments upon application from incorporated banks and trust companies for their own account and make allotment in full or larger amounts to others, and may establish a graduated scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by it to be in the public interest; provided, that such reduction or increase of allotments of such bonds shall be made under general rules to be prescribed by said committee and shall apply to all subscribers similarly situated. Any portion of the bonds so offered and not taken may be otherwise disposed of by the committee in such manner and at such price or prices, not less than par, as it may determine. The committee may cancel any of the bonds so offered and not taken and reissue them in different denominations.

Sec. 7. Bonds herein authorized shall be issued and sold only for the

acquisition of such property and rights, and for the acquisition, construction, development, completion, operation and maintenance of such projects as the board may deem necessary or convenient to the accomplishment of the purposes of this article; Provided, that from time to time upon written requisition of the board the committee shall issue and sell bonds not exceeding in the aggregate five million dollars, the proceeds of which shall be placed in the Water and Power Revolving Fund in the state treasury, which fund is hereby created, to be used by the board for the purpose of defraying its expenses, acquiring property, rights, facilities, materials and supplies, carrying charges during construction, and meeting other costs incurred in carrying out the purposes of this article: Provided, further, that **IF AT ANY TIME THE REVENUES FROM PROJECTS SHALL BE INSUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL** of outstanding bonds as the same fall due, the committee, with the consent of the governor, in order to avoid appropriations from the general fund and resulting taxation, **MAY ISSUE AND SELL BONDS** to provide funds to make such payments of interest or principal.

Except as otherwise provided in this article, the committee shall issue and sell bonds only upon the written requisition of the board stating the amount of money required and the purpose for which it is used and accompanied by a duly authorized certificate of the board describing the property or rights to be acquired or the project proposed, and stating the estimated cost thereof and showing the same to have been investigated and approved and in the case of a project, that plans and estimates therefor, a copy of which shall be annexed to such certificate, have been prepared and adopted by the board and further certifying that, **IN THE OPINION** of the board, the revenue from the property or rights to be acquired or from the proposed project, together with available revenues from other projects, will be sufficient to pay within fifty years in addition to other necessary expenses, the interest and principal of the bonds requested to be issued. The proceeds of the sale of such bonds shall be placed in the treasury and shall be used by the board exclusively for the purposes for which the same were issued.

Sec. 8. The board shall **ESTABLISH SUCH RATES** for service as **IN ITS JUDGMENT** will provide, in addition to the expenses of the operation, maintenance, depreciation, interest, insurance and reserve for losses, funds to pay the principal and interest of **ALL BONDS ISSUED UNDER THIS ARTICLE**, as the same fall due, together with **ALL SUMS** which may be advanced from the general fund and interest thereon as herein provided.

Each project, as the same may be defined by the board, shall be charged by the board with its cost, which shall include its proper share as **FIXED BY THE BOARD** of all expenditures from the Water and Power Revolving Fund and the share so charged shall be credited to such revolving fund which shall be replenished, to the extent of the amounts so credited, from the proceeds of bonds sold to provide funds for the cost of such project. The board shall establish such rates for the service furnished by each project as **IN ITS JUDGMENT** will pay, within fifty years, such cost thereof, and the expenses of operation, maintenance, depreciation, interest, insurance and reserve for losses; provided that where the rates are intended to provide for the repayment of expenditures made in acquiring or constructing distributing systems for political subdivisions, they shall be so fixed as in the **JUDGMENT** of the board will repay the amount of such expenditures with interest within twenty-five years. **THE BOARD MAY CHANGE RATES** when in its **OPINION** advisable to meet changed conditions and shall always keep the rates as low as possible, subject to pay such cost and expenses as practicable, and shall fix similar rates under substantially similar conditions.

Sec. 9. All revenues of the board, **EXCEPT PROCEEDS FROM THE SALE OF BONDS**, shall be paid into the state treasury and shall be applied first to payment of the **EXPENSES** of the board, costs of operation, maintenance, depreciation, insurance and losses, and second, to the payment of interest on and principal of said bonds.

If at any time the moneys in the state treasury applicable to the payment of interest or principal of said bonds, shall be insufficient to pay the same as it falls due, moneys shall be temporarily **ADVANCED FROM THE GENERAL FUND** for that purpose, and there is **HEREBY APPROPRIATED** from the general fund in the state treasury such sum annually as will be necessary to pay such interest and principal, and there **SHALL BE COLLECTED** each year in the same manner and at the same time as other state revenue is collected such sum **IN ADDITION** to the other revenues of the state as shall be required to pay the sums appropriated for payment of interest and principal as herein provided, and it is hereby made the **DUTY** of all officers charged by law with any duty with regard to the levy and collection of said revenue **TO DO AND PERFORM** each and every act which shall be necessary to collect such **ADDITIONAL** sum.

All moneys paid from the general fund in the state treasury for principal of or interest on such bonds shall be returned into said general fund out of the revenues of the board as soon as the same become available, together with interest thereon from the several dates of such advance until so returned at the rate of six per cent per annum compounded semi-annually.

Sec. 10. Out of any money in the state treasury not otherwise appropriated, the sum of two hundred and fifty thousand dollars is hereby appropriated to be credited to the board and an equivalent amount shall be returned into the general fund in the state treasury out of the first moneys available in the Water and Power Revolving Fund.

Sec. 11. The committee may establish such funds in the state treasury as in its judgment may be required to carry out the purposes of this article.

Moneys herein provided for the board shall be drawn from the treasury by warrants of the controller and demands made by the board and allowed and audited by the State Department of Finance.

The board, the controller, the treasurer and the committee shall keep full and particular account and record of all their proceedings under this article, and shall transmit to the governor annually a report thereof, not less than one thousand copies of which shall be printed, to be by the governor laid before the legislature bi-annually, and all books and papers pertaining to the matters provided for in this article, shall at all times be open to the inspection of any officer or citizen of the state. All accounts of receipts and disbursements shall be audited annually by the State Department of Finance.

Sec. 12. The state and political subdivisions shall have a preferred right to water and electric energy controlled by the board as against privately owned public utilities selling water of electric energy to the public and no contract or act of the board shall interfere with such preferred right. As between those otherwise equally entitled, the board shall supply water or electric energy to political subdivisions near the source of supply, to the extent of their reasonable needs, in preference to more remote users.

The board shall not supply water to a privately owned public utility for the production of electric energy and shall not supply directly or indirectly to privately owned public utilities which sell electric energy or water to the public more than twenty per cent of the total amount of electric energy or water under its control, and contracts therefor shall not extend over a longer period than five years, or be renewed before one year prior to their expiration. Before making or renewing such a contract, the board shall publish a notice of its intention so to do at least six days each week for a period of sixty days in at least one newspaper published and circulated in this state and designated by order of the board for that purpose; and at least thirty days' prior notice shall be mailed to the legislative bodies of all counties and incorporated municipalities and to irrigation districts situated within the territory which, in the opinion of the board, may use such electric energy. Public utilities taking such contracts shall be required to provide the board with standby service at reasonable rates.

Sec. 13. Nothing contained in this article shall prevent any political subdivision itself, or in co-operation with other political subdivisions, from developing any water or electric energy owned or controlled by it; **BUT PLANS** for any such development hereafter proposed shall be **SUBMITTED TO THE BOARD** for **SUGGESTIONS AND CRITICISM**, so that the co-operation of the board may be secured, **IF PRACTICABLE**, for the fullest development of the proposed project. The board may **ACQUIRE AND DEVELOP** any such project unless the political subdivision claiming the same shall have **ADOPTED PLANS** and estimates for the development and **AUTHORIZED BONDS** to cover the cost thereof, or **SHALL DO SO**, within two years after the board shall have notified such political subdivision of its readiness to proceed with such development.

Sec. 14. In any proceeding in eminent domain brought by the board under the provisions hereof, **THE DETERMINATION OF THE BOARD** that the **TAKING OF THE PROPERTY** described in the complaint is necessary for the purposes hereof, shall be **CONCLUSIVE EVIDENCE** of such necessity. In any such proceeding the state may take **IMMEDIATE POSSESSION** and use of any property required for the purposes of this article, by paying into the court such amount of money as the court, upon five days' notice to the adverse party, may determine as reasonably adequate to secure to the owner of the property sought to be taken immediate payment of just compensation for such taking and any damages incident thereto.

In any such proceeding, trial by jury may be demanded and secured by any party thereto, and any proceeding begun under the provisions of Section 23a of Article XII of this constitution shall be dismissed on the filing therein of a written demand by such party.

Property appropriated to public use may be taken under the power of eminent domain for the purposes hereof, but, except as otherwise herein provided, this article shall not confer power to take the property or works owned or controlled by any political subdivision used or proposed to be used for supplying water or electric energy, or both, without its consent.

Sec. 15. All public officers, boards, commissions and agencies shall make available to the board all data and information in their possession required by the board and shall render every assistance in their power in carrying out the provisions of this article.

Sec. 16. As far as practicable, consistent with the speedy development of its operations, the board shall so shape its plans as to furnish work during periods of unemployment.

Sec. 17. The term political subdivision, as used in this article, is hereby defined to mean and include any public board, public quasi corporation, public corporation, water district, lighting district, municipal utility district, public utility district, irrigation district, municipal corporation, town, city and county, city or county, having authority to contract for the purchase, sale or use of water, water power, or electric energy, but shall not be construed to include any privately owned public utility.

Sec. 18. This article is self-executing, but legislation may be enacted in furtherance of its purposes and to facilitate its operation.

"Power at Cost." But, oh, the COST!!!

VOTE NO

on

Water and Power Act

November 7

Names of Some of the Los Angeles People Who Are Members of the People's Economy League

Alfred E. Adams
Morgan Adams
Mrs. J. T. Anderson
Wm. H. Allen, Jr.
H. L. Arnold
G. A. Axelson
Carrie Jacobs Bond
Fred L. Baker
A. S. Ballagh
Reynold E. Blight
Mrs. E. R. Brainerd
A. B. Brewster
J. G. Bullock
R. W. Burnham
Mrs. Rose C. Bryant
Joseph H. Call
Eli P. Clark
O. P. Clark
Mrs. O. P. Clark
Geo. I. Cochran
Dr. Guy Cochran
Louis M. Cole
John T. Cooper
[illegible]pp, Jr.
[illegible] L. Cornish
[illegible] H. Craig
Richard Dillon
Isidore B. Dockweiler
A. C. Denman, Jr.
Glen W. Duncan
B. H. Dyas
Douglas L. Edmonds
L. L. Elliott
Frank P. Flint
Motley H. Flint
H. W. Frank
H. C. Fryman
Dr. Dudley Fulton
Wm. M. Garland
Mrs. Charles Gray
L. G. Guernsey
D. A. Hamburger
M. A. Hamburger
Dwight H. Hart
Geo. A. Hart
Victor Hecht
Marco H. Hellman
Maurice S. Hellman
Wm. R. Hervey
Paul G. Hoffman
W. I. Hollingsworth
Jane C. Humphreys
Sumner P. Hunt
Dr. Len Hutchins
Major Frank S. Hutton
Edgar L. Ide
Louis Isaacs
Max Isaacs
W. P. Jeffries
J. A. Jevne
Dr. Milbank Johnson
Henry W. Keller
R. H. Lacy
J. B. Lankershim
Oscar Lawler
Erle M. Leaf
Walter R. Leeds
Mrs. Cora Deal Lewis
E. D. Lyman
Charles P. Lyndall
Dr. Lloyd Mace
Robert Marsh
Austin O. Martin
Harry Lee Martin
R. L. McCourt
Edwin A. Meserve
Shirley E. Meserve
Joseph Mesmer
Isaac Milbank
Horace G. Miller
W. W. Mines
Irving J. Mitchell
John G. Mott
Gurney E. Newlin
Dr. E. H. Noe
Henry W. O'Melveny
John Parkinson
Jack Paschall
Lee A. Phillips
H. B. Potter
Mrs. Alma W. Reynolds
H. Riddiford
Mrs. R. W. Richardson
R. I. Rogers
L. H. Roseberry
Victor H. Rosetti
P. D. Rowan
F. M. Rublee
A. J. Salisbury, Jr.
J. F. Sartori
F. B. Silverwood
Mrs. Sloan-Orcutt
Chas. Stern
Hugh F. Stewart
Carroll A. Stilson
Walter P. Story
C. C. C. Tatum
Russell M. Taylor
C. C. Teague
Ira Thompson
John Treanor
E. B. Tufts
W. L. Valentine
Clarke Van Bensen
J. B. Van Nuys
O. A. Vickrey
Mrs. J. S. Vallely
Dr. L. G. Visscher
A. E. Warmington
C. Robert Weber
Perry W. Weidner
Dana R. Weller
H. M. Wheeler
Mrs. Allie Simons Wheeler
Dr. Maude Wilde
J. W. Wilkinson
Col. Arthur Williams
Gesner Williams

ISSUED BY

PEOPLE'S ECONOMY LEAGUE
OF LOS ANGELES

EXECUTIVE COMMITTEE

HERBERT L. CORNISH - - - - - Chairman
MRS. O. P. CLARK ISIDORE B. DOCKWEILER
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